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SERVICE DATE - JUNE 12, 2003

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34356]

Gregory B. Cundiff, Connie Cundiff, CGX, Inc., and Ironhorse Resources, Inc.–Continuance
in Control Exemption–Mississippi Tennessee Holdings, LLC and Mississippi Tennessee
Railroad, LLC

Gregory B. Cundiff, Connie Cundiff, CGX, Inc. (CGX), and Ironhorse Resources, Inc. (Ironhorse) (collectively, applicants), noncarriers, have filed a verified notice of exemption to continue in control of Mississippi Tennessee Holdings, LLC (MTH) and Mississippi Tennessee Railroad, LLC (MTR), upon MTH and MTR becoming rail carriers.

The transaction was expected to be consummated on or after May 27, 2003, the effective date of the exemption (7 days after the notice was filed).

This transaction is related to the concurrently filed verified notice of exemption in STB Finance Docket No. 34355, Mississippi Tennessee Holdings, LLC and Mississippi Tennessee Railroad, LLC–Acquisition and Operation Exemption–Rail Line of Mississippi & Tennessee Railnet, Inc., between Houston, MS, and Middleton, TN, in Chickasaw, Pontotoc, Union and Tippah Counties, MS, and Hardeman County, TN, wherein MTH and MTR seek to acquire and operate 87.7 miles of rail line currently owned by Mississippi Tennessee Railnet, Inc.

MTH and MTR are currently owned by CGX, a noncarrier holding company, that owns three carriers: Crystal City Railroad, Inc., Lone Star Railroad, Inc., and Rio Valley Railroad, Inc. CGX also owns Ironhorse, a noncarrier holding company, that owns four carriers: Railroad Switching Service of Missouri, Texas Railroad Switching, Inc., Rio Valley Switching Company, and Southern Switching Company. CGX is owned by Mr. and Mrs. Cundiff, noncarrier individuals.

Applicants state that: (1) the railroads do not connect with each other or any railroad in their corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of the transaction is to enable MTH and MTR to improve operating efficiency.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324-25 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34356, must be filed with the Surface Transportation Board, 1925 K Street N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1194.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: June 5, 2003.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary